

CHAPTER 1088
DISPROPORTIONATE SHARE HOSPITAL PAYMENTS
H.F. 2388

AN ACT relating to maximizing hospital-specific disproportionate share hospital payments, and providing for contingent implementation.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DEPARTMENT OF HUMAN SERVICES — DIRECTIVE REGARDING DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.

1. The department of human services shall recalculate the hospital-specific disproportionate share hospital limits for the fiscal year beginning July 1, 2012, during the hospital rebasing and recalibration process, and shall utilize the federal disproportionate share hospital allotment for the state to the maximum extent possible, utilizing appropriate local government sources for the nonfederal match, to create a new disproportionate share hospital pool. The new pool shall be used to provide payments to rural prospective payment hospitals that are not designated as critical access hospitals and that otherwise qualify to receive a medical assistance disproportionate share hospital payment.

2. The source of funds for the required nonfederal share shall be funds generated from tax levy collections of the county or city in which the hospital is located, and subject to the conditions specified in this section and applicable federal law and regulation.

3. All of the following shall apply to the nonfederal share funds and disproportionate share hospital payments under this section:

a. The qualifying hospital shall annually provide a disproportionate share hospitals survey to the department in accordance with the time frame specified by the department, for the purpose of calculating the hospital specific limit.

b. The disproportionate share hospital payment shall not exceed the hospital-specific limit as specified pursuant to federal regulations.

c. The nonfederal share funds shall be distributed to the department of human services prior to any disproportionate share hospital payment to a qualifying hospital.

d. The qualifying hospital shall retain one hundred percent of the disproportionate share hospital payment.

e. The city or county providing the nonfederal share funds shall annually document and certify that the funds provided as the nonfederal share were generated from tax proceeds, and not from any other source including federal grants or another federal funding source.

f. The applicable federal matching rate for the fiscal year shall apply.

4. The department shall amend the medical assistance state plan as necessary to implement this directive. The state plan shall identify the specific source and amount of city or county funds that will be provided as the nonfederal share funds for the qualifying hospital.

5. Implementation of this section is contingent upon receipt of approval from the centers for Medicare and Medicaid services of the United States department of health and human services.

Approved April 12, 2012